

Message Text

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53

ACTION TRSE-00

INFO OCT-01 EA-11 ADP-00 NEA-10 IO-12 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 SS-15 STR-08 OMB-01 CEA-02 L-03 H-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-03 PRS-01 USIA-12 INRE-00 RSR-01

/164 W

----- 116176

P R 190506 Z APR 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 4595

INFO AMEMBASSY SEOUL

UNCLAS MANILA 4498

SEOUL FOR HIRSCHTRITT

TREASURY FOR FINKEL

E. O. 11652: N/A

TAGS: EAID, EFIN, KS

SUBJECT: SEOUL ADB PROJECT AND U. S. PROCUREMENT SHARES

USADB

FOLLOWING IS INFORMATION ON THREE MAJOR ADB PROJECTS IN
SEOUL AREA5(

-. SEOUL- INCHON EXPRESSWAY PROJECT

1. BORROWER - REPUBLIC OF KOREA
 2. EXECUTING AGENCY - KOREA HIGHWAY CORP (A GOVT- OWNED ENTITY)
 3. DATE OF LOAN AGREEMENT - 17 SEPT 1968
 4. ORIGINAL AMOUNT AND TERMS - US \$6.8 MILLION AT 6-7/8
PERCENT FOR 15 YEARS.
- UNCLASSIFIED

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5. ACTUAL AMOUNT DISBURSED - US \$6.3 MILLION

6. STATUS OF LOAN - LOAN ACCOUNT CLOSED 31 DEC 1971

7. BENEFITS TO THE ECONOMY - THE HIGHWAY, COMPLETED IN LATE 1971, HAS PROVIDED CONVENIENT AND SPEEDY ACCESS TO AND FROM THE SECOND LARGEST PORT OF THE COUNTRY, WHICH IS ABOUT 30 KMS. FROM THE CAPITAL CITY OF SEOUL. IT HAS FACILITATED THE MOVEMENT OF GOODS BOTH FOR EXPORT AND IMPORT IN THE SEOUL AND ADJACENT INDUSTRIAL AREAS AND ENCOURAGED THE DEVELOPMENT OF INDUSTRIAL ENTERPRISES ALONG THE ROAD. THE ROUTE CONTAINS ABOUT 16 PERCENT OF THE NATION'S POPULATION AND SERVICES ABOUT A THIRD OF THE NATION'S INDUSTRIAL AREA.

B. KOREA COLD STORAGE PROJECT

1. BORROWER AND EXECUTING AGENCY - KOREA COLD STORAGE CO. LTD. (A GOVT- OWNED ENTITY)

2. GUARANTOR - REPUBLIC OF KOREA

3. DATE OF LOAN AGREEMENT - 22 MARCH 1969

4. ORIGINAL LOAN AMOUNT AND TERMS - US \$7 MILLION AT 6-7/8 PERCENT FOR 15-1/2 YEARS, INCLUDING 4 YEARS GRACE PERIOD

5. ACTUAL AMOUNT DISBURSED - US \$4.8 MILLION

6. STATUS OF LOAN - LOAN ACCOUNT CLOSED ON 31 MARCH 1972

7. BENEFITS TO ECONOMY - THE FACILITIES FINANCED BY THE LOAN HAVE IMPROVED THE MARKETING AND STORAGE OF FISH CATCH AND AGRICULTURAL PRODUCTS. THE FACILITIES ARE ALSO BEING USED FOR PROCESSING OF MEAT PRODUCTS AND VEGETABLES FOR RESALE IN THE DOMESTIC AS WELL AS EXPORT MARKETS. IT OPERATES FOUR REFRIGERATION STATIONS -- IN SEOUL, MUKHO, MOKPO AND BUSAN -- AND MARKETING FACILITIES IN SEOUL TOGETHER WITH APPROPRIATE TRANSPORTATION FACILITIES. THE REFRIGERATION FACILITIES HAVE A HIGH RATE OF UTILIZATION AND HAVE CONTRIBUTED TO RAISING THE INCOME OF THE FISHING
UNCLASSIFIED

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POPULATION BY PRESERVING EXCESS CATCH, THEREBY PREVENTING SPOILAGE.

C. TRANSPORTATION AND STEVEDORING EQUIPMENT PROJECT

1. BORROWER - KOREA EXPRESS CO. LTD. (A PRIVATE CO.)

2. GUARANTOR - REPUBLIC OF KOREA

3. DATE OF LOAN AGREEMENT - 17 SEPT 1969

4. ORIGINAL AMOUNT AND TERMS - US \$7.5 MILLION AT 6-7/8 PERCENT FOR 10-1/2 YEARS INCLUDING 2 YEARS GRACE PERIOD

5. STATUS OF LOAN - TOTAL DISBURSEMENT TO DATE IS APPROXIMATELY US \$6.3 MILLION WITH TOTAL CONTRACTS AWARDED VALUED AT US \$6.78 MILLION. THE CLOSING DATE OF LOAN ACCOUNT IS SCHEDULED FOR 31 AUG 1973.

6. BENEFITS TO ECONOMY - THE KOREA EXPRESS CO. IS THE FIRST PRIVATE CO. TO RECEIVE A LOAN FROM THE BANK. IT OPERATES THE LARGEST INTEGRATED TRANSPORTATION AND STEVEDORING SERVICES IN THE REPUBLIC OF KOREA. THE LOAN FINANCES THE IMPORTATION OF TRANSPORTATION AND STEVEDORING EQUIPMENT TO AUGMENT AND MODERNIZE THE FLEET OF THE CO. AND MAINTENANCE AND WORKSHOP EQUIPMENT. THE KOREA EXPRESS CO. OPERATES HIGHWAY FLEET TRANSPORTATION ALONG THE RECENTLY COMPLETED SEOUL- INCHON EXPRESSWAY AND THE SEOUL- BUSAN EXPRESSWAY. IT ALSO OPERATES STEVEDORING SERVICES AT THE BUSAN AND INCHON PORTS. THE PROJECT CONTRIBUTES TO THE SPEEDY AND EXPEDITIOUS HANDLING OF FREIGHT TO AND FROM THE MAJOR PORTS OF THE COUNTRY INVOLVING IMPORT AND EXPORT ITEMS. THE FREIGHT VOLUME BETWEEN THE MAJOR PORTS OF THE COUNTRY AND THE INDUSTRIAL AREAS HAS BEEN EXPANDING RAPIDLY IN THE RECENT PAST AND THIS IS EXPECTED TO INCREASE FURTHER AS THE PACE OF ECONOMIC ACTIVITY INCREASES OVER THE NEXT FEW YEARS. THE FACILITIES THEREFORE OF THE KEC INCLUDING THOSE IMPORTED UNDER THE BANK LOAN WILL CONTRIBUTE SIGNIFICANTLY TO THE MOVEMENT OF GOODS GENERATED OUT OF THE INCREASING INDUSTRIAL ACTIVITY OF THE COUNTRY.

REGARDING U. S. PROCUREMENT IN ABOVE PROJECTS, U. S. RECEIVED \$507,000 IN CONTRACTS FOR SEOUL- INCHON EXPRESSWAY. U. S.

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DID NOT PARTICIPATE IN PROCUREMENT FOR THE COLD STORAGE AND TRANSPORTATION AND STEVEDORING PROJECTS.

U. S. HAS BEEN MARGINALLY INVOLVED IN CONTRACTS RESULTING FROM SUBLENDING THROUGH THE MEDIUM INDUSTRY BANK (MIB) AND THE KOREAN DEVELOPMENT BANK (KDB). THE FOLLOWING INFORMATION SHOWS EXTENT OF U. S. PARTICIPATION IN FIRST ADB LOANS TO BOTH BANKS. (CREDITING TO LOAN ACCOUNTS FROM SECOND MIB LOAN ONLY JUST BEGINNING. SECTWDB KDB LOAN NOT YET EFFECTIVE.)

A. FIRST MIB LOAN AS OF DEC 31, 1972 LISTED BY SUBLOAN BORROWER; TOTAL SUBLOAN AMOUNT IN US \$; U. S. PROCURED EQUIPMENT IN US \$ MILLION AND DESCRIPTION.

1. KODO OPTICAL CO. - 197,992.49 - 0.028 - ROLLER, WINDING, AUTOMATIC CALIBRATING UNIT.

2. UNI INDUSTRIAL CO. - 91,548.52 - 0.092 - SINGLE DIE,

SCFEW- MAKING MACHINE

3. MYUNG HWA TEXTILE CO. - 132,621.25 - 0.005 - FALSE TWIST

4. DONG JIN TEXTILES - 216,000.00 - 0.010 - PACKAGED
LIQUID CHILLER

5. DAIHAN BOILER MFG., COL - 31,901.23 - 0.023 - FLANGING
MACHINE

6. MANBO INDUSTRIAL CO. - 26,456.94 - 0.003 - MILLING MACHINE

7. KOREA ARTISTIC PRINTING CO. - 128,724.61 - 0.004 -
PRINTING FRAME

8. KYUNG JIN INDUSTRIAL CO - 149,600.00 - 0.149 -
KNITTING MACHINES
TOTAL U. S. PROCUREMENT - 0.314

B. FIRST KDB LOAN AS OF DEC 31, 1972 LISTED BY SUBLOAN
BORROWER; SUBLOAN AMOUNT IN US \$; U. S. PROCURED EQUIPMENT
IN US \$ MILLION AND DESCRIPTION.

1. CHEIL CLOTHING CO. - 118,755.56 - 0.018 - SINGLE NEEDLE
BASTING MACHINE, SWEWING MACHINETTE
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2. CHEIL SUGAR CO. - 179,778.64 - 0.016 - PULVERIZER FOR
GRANULE SUGAR

3. LEE CHUN ELECTRIC CO. - 106,000.00 - 0.027 - AIR
OPERATED COIL FORMING MACHINE AND PRECISION RESISTANCE
MEASURING BRIDGE

4. SAM SUNG PHARMACEUTICAL IND. CO. - 274,121.12 - 0.011 -
PHARMACEUTICAL EQUIPMENT
TOTAL U. S. PROCUREMENT - 0.072
BYROADE

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 07 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 19 APR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
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Handling Restrictions: n/a
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
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Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 29 OCT 2001
Review Event:
Review Exemptions: n/a
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Review Markings:

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US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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Status: <DBA CORRECTED> gwr 980203
Subject: SEOUL ADB PROJECT AND U. S. PROCUREMENT SHARES
TAGS: EAID, EFIN, KS
To: STATE INFO SEOUL
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005